

Florida Department of Agriculture and Consumer Services  
CHARLES H. BRONSON, Commissioner  
The Capitol • Tallahassee, FL 32399-0800

Please Respond to:

May 22, 2006

Docket Clerk  
Fruit and Vegetable Programs  
Agricultural Marketing Service  
U.S. Department of Agriculture  
1400 Independence Ave., SW  
Mail Stop 0243  
Washington, DC 20250-0243

Re: Docket Number FV06-1290-IPR  
FR Vol. 71, No. 76, pages 20353-20357

To Whom It May Concern:

On behalf of the Florida Department of Agriculture and Consumer Services (FDACS), I appreciate the opportunity to comment on the proposed regulations governing implementation of the Specialty Crop Block Grant. The underlying principle behind block grants is that they provide states not only with funding but also flexibility to address specific needs and priorities in the manner that is best suited for them. Having administered the 2001 Specialty Crop Block Grant, I was able to see first hand the positive feedback we received from our specialty crop growers to this much needed funding. With that in mind, there are a number of issues we have identified within the proposed rule that will present challenges to state agencies. Specifically, the proposed rule contains a number of administrative and oversight requirements that far exceed those of any previous block grant and have the potential to greatly limit the effectiveness of the overall program.

The stated legislative purpose of the block grant is to enhance the competitiveness of specialty crops. Competitiveness, by its very definition, is the ability and performance of a firm or sector to sell and supply goods and/or services in a given market. Section 1290.1 of the proposed rule states that applicable federal statutes and regulations, including but not limited to 7 CFR part 3016, will apply to the block grant. 7 CFR part 3016 references an Office of Management and Budget (OMB) circular that restricts funding from being used for advertising, public relations, selling and marketing. While it is reasonable to see why many federal grants would need to have this restriction attached to them, the Specialty Crop Block Grant was created to accomplish increased sales of a product. Nearly 40% of the 2001 grants were used for marketing and promotion programs. In Florida alone, the \$500,000 that we used for marketing from the 2001 block grant increased sales of targeted specialty crops by over \$173 million representing a \$383 return on every \$1 invested in the marketing campaign. We would ask that the proposed rule be amended to make it clear that there is no prohibition on the expenditure of block grant funds for marketing and promotional campaigns.



---

**Florida Agriculture and Forest Products**  
\$62 Billion for Florida's Economy

Section 1290.4 of the proposed rule states "To be eligible for a grant, the project(s) must enhance the competitiveness of specialty crops. Priority will be given to fresh specialty crop projects." The authorizing legislation did not contain language indicating a preference was to be given to fresh products. Rather, the bill had an overall purpose of "...increasing the fruit, vegetable and nut consumption and improving the competitiveness of United States specialty crop producers." In contrast to the language in Section 1290.4, the U.S. House of Representatives, Committee on Agriculture report contains the following language which would serve to indicate congressional intent, "...the block grant is intended for all specialty crop producers, however their crops are marketed." We would ask that the language pertaining to fresh product priority be deleted when the final rule is published.

Having had the benefit of experience in administering the program in 2001, we feel that many of the provisions included in Section 1290.5 are onerous and more time consuming than the Paperwork Reduction Act estimates contained in the Federal Register notice. In some cases states may not be able to comply with these requirements simply because they will not know the amount of the grant they will be receiving. The proposed rule demands a high level of specificity during the application process, requiring states to provide detailed information on how funds will be expended or awarded at the same time they submit their Request for Application (RFA). FDACS suggests a more reasonable approach would be to require each state application include a concept paper outlining the scope of their proposed grant activities and objectives. A concept document would serve to provide reassurance that funds would be expended within approved and defined parameters of the funding agency. A quarterly follow up report could be required where the detailed information USDA wants up front can then be provided. This follow up report, containing detailed information on grant projects and recipients, will ensure the states are adhering to the legislations stated objectives.

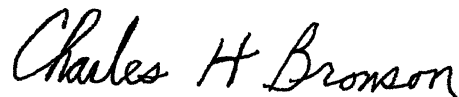
In order for the specialty crop block grant program to have the intended impact, it is critical that USDA-AMS award funding to states on a fixed based or deliverable based basis in contrast to a strict cost reimbursement basis. Most sub-grant recipients will need a small percentage of the funding advanced to initiate the scope of work thus the administering state agency will need the ability to request a percentage advance. In addition, state agencies will need some guidance on what is an acceptable percentage for sub-recipient's administrative costs.

Audit specifications as contained in Section 1290.10 of the proposed rule are unclear as to whether the audit must be performed by the state agency for the total state grant amount or if an independent audit is required of each sub-grant recipient. If the responsibility is with the state, we would suggest that an eligible use of a small percentage of the grant funds be for audit compliance. In addition, the final rule should make clear the type of audit that is required, either fiscal and/or performance based.

Docket Clerk  
May 22, 2006  
Page Three

The Specialty Crop Block Grants are extremely appreciated by states that are dominated by non-subsidized specialty crops and thus, have historically not received a significant amount of federal funding. Florida looks forward to the opportunity to show how positively this type of funding impacts our specialty crop growers. Retaining the inherent flexibility that came with the 2001 block grant is essential, however, to implementing a program that will prove both workable and beneficial to our growers. Once again, I appreciate the opportunity to comment on the proposed rule and look forward to working with USDA as we implement the program.

Sincerely,

A handwritten signature in black ink that reads "Charles H. Bronson". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

CHARLES H. BRONSON  
COMMISSIONER OF AGRICULTURE